REMARKS/ARGUMENTS

This amendment is responsive to the Office Action mailed on January 22, 2008. In the Office Action, Claims 1-8 and 10-34 are rejected. In this amendment, no claims are added, amended, or canceled. Thus, after entry of this amendment, Claims 1-8 and 10-34 are pending and subject to examination on the merits.

On April 2, 2008 a telephonic interview was held between Examiners Zand, Bayou, and the undersigned. During the interview, the various message passing transactions that occur in the cited references and the present application were discussed. Particularly, the messages regarding requesting passcode authentication and receiving requests for passcode authentication were discussed. Additionally, the entry of a passcode into a front end HSM was discussed and clarified. The Examiners appeared to be persuaded that manually entering a passcode into a device is not entering the passcode in an encrypted format, although they requested further clarification in this response. The Examiners further provided a suggestion to clarify the claim language with regard to "Hardware Security Module" to indicate it is hardware. The undersigned thanks the Examiners for their time and their careful consideration of the arguments presented.

Claim Rejections 35 USC § 102(b), Hodgson

Claims 1-8, 10-17, 19-20, and 22-32 are rejected as being anticipated by Hodgson et al. (U.S. Patent Pub. No. 2002/0123972)("*Hodgson*"). The Office Action alleges that *Hodgson* teaches each and every limitation in these claims. This rejection is traversed.

Anticipation has not been established because each and every limitation is not taught by *Hodgson*. "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). MPEP 2131.

Claim 1

Each and every limitation of Claim 1 is not disclosed by *Hodgson*. For example, Claim 1 recites:

> *an Access Control Server (ACS) configured to receive a request for passcode authentication of a Primary Account Number (PAN), and configured to request a passcode corresponding to the PAN*

The Office Action alleges this limitation is disclosed in *Hodgson* "(Figure 1, Paragraphs 62, 34, and 72, wherein the ACS is the merchant server and the STMS 30 and 20, 22)" (Office Action Page 4). Figure 1 discloses a merchant web server (20,22) configured to request a passcode, where the merchant web server builds a payment web page and sends it to the consumer (12). (*Hodgson* Fig. 1, P[0066-0068]). Figure 1 discloses a Secure Transaction Management Server (STMS, 30) configured to receive a request for passcode authentication of a PAN where the STMS (30) receives the passcode entered by the consumer in order to authenticate the passcode. (*Hodgson* Fig. 1, P[0076-0080]. Figure 1 does not disclose an Access Control Server configured to both receive a request for authentication and also to request authentication of a passcode corresponding to a PAN.

Furthermore, this limitation would not be obviated by *Hodgson*, alone or in combination with any art of record. Combination of the Merchant Web Server (20,22) and the Secure Transaction Management Server (30) would result in the invention in *Hodgson* becoming inoperative because payment information, such as the passcode, would be sent to the merchant. An advantage of *Hodgson,* as stated in *Hodgson,* is that no payment information is sent to the merchant. (*Hodgson* P[0093]).

As another example, Claim 1 recites:

> *a front end Hardware Security Module (HSM) coupled to the ACS, and* ***configured to receive the passcode in an encrypted format*** *and generate an encrypted passcode using a local encryption key*

(emphasis added). The Office Action alleges this limitation is taught in *Hodgson* paragraphs 58, 59, 73, 92, 154, and Figure 1. (Office Action page 4). Based on these paragraph citations, it appears that the Office Action is equating the front end HSM with the PinPad as disclosed in

Hodgson. However, the PinPad does not receive the passcode in an encrypted format. The PinPad receives the passcode in a clear format, when the user types it in. The PinPad's function is to encrypt the passcode. (*Hodgson* P[0072-0073]). As was discussed in the examiner interview, typing the passcode into the PinPad by a user is not entering it in an encrypted format.

Therefore, for the reasons presented above, Claim 1 is allowable because it is neither anticipated nor obviated by *Hodgson*. Furthermore, Claims 2-8, 10-15, and 33 are allowable by virtue of their dependence from Claim 1.

Claim 16

Claim 16 contains limitations that are very similar to the limitations found in claim 1. As such, the argument that was presented above with regard to Claim 1 is applicable to Claim 16. Furthermore, Claim 17 is allowable by virtue of its dependence from Claim 16.

Claim 19

Each and every limitation of Claim 19 is not disclosed in *Hodgson*. For example, Claim 19 recites ***receiving an encrypted PIN*** *in a front end Hardware Security Module (HSM) in response to the request.* (emphasis added). The Office Action alleges this is disclosed in *Hodgson*, paragraph 62. (Office Action Page 7). Although paragraph 62 of *Hodgson* may disclose an HSM, it does not disclose a front end HSM receiving an encrypted PIN. As with the argument for Claim 1, the Office Action is equating the front end HSM with the PinPad. As has been discussed previously, the PinPad in *Hodgson* does not receive an encrypted PIN, it receives a clear PIN.

Therefore, for the reasons presented above, Claim 19 is allowable because it is not anticipated by *Hodgson*. Furthermore, Claims 20-27 are allowable by virtue of their dependence from Claim 19.

Claim 28

Claim 28 contains limitations that are very similar to the limitations found in claim 19. As such, the argument that was presented above with regard to Claim 19 is applicable to Claim 28. Furthermore, Claims 29-31 are allowable by virtue of their dependence from Claim 28.

Claim 32

Claim 32 contains limitations that are very similar to the limitations found in Claims 1 and 16. As such, the argument that was presented above with regard to Claim 1 is applicable to Claim 32.

Claim Rejections 35 USC § 103(a), Hodgson, Morrill

Claims 18, 21, 33, and 34 are rejected as being unpatentable over *Hodgson* in view of Morrill, Jr. (US. Patent No. 5,991,749)("*Morrill*"). This rejection is traversed. *Hodgson* and *Morrill*, alone or in combination, fail to teach or suggest each and every limitation of these Claims.

Claim 18

The Office Action alleges that each and every limitation of Claim 18 is taught by *Hodgson* and *Morrill* in combination. The Office Action alleges that all the limitations of Claim 18, except for "*the request for the PIN including an instruction to provide the PIN to a destination address,*" are taught by *Hodgson,* and are rejected under the same basis as used in the rejection of Claim 1. (Office Action Page 8). The Office Action alleges that "*the request for the PIN including an instruction to provide the PIN to a destination address,*" is taught by *Morrill.* (Office Action Page 8-9).

The argument presented above with regard to Claim 1 applies to Claim 18 with respect to those limitations alleged to be taught by *Hodgson.*

The Office Action admits the limitation "*the request for the PIN including an instruction to provide the PIN to a destination address,*" is not present in *Hodgson*, but alleges that it is an

inherent property. The Office Action further states that even if this limitation is not inherent, it is taught by *Morrill*.

"In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art." *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis in original) MPEP 2112. The Office Action alleges that because the PIN may go to different entities, such as the STMS or POS processors, providing a destination address is an inherent characteristic. However, providing a destination address does not necessarily flow from the teachings of the applied prior art. For example, in Figure 1 of *Hodgson*, the PIN may be entered into the PinPad. The PinPad is only connected to the consumer's computer. As such, the PinPad does not require an instruction with a destination address, because there is no other destination other than the consumer's computer. No instruction with a destination address is necessary.

The Office Action further alleges that even if "*the request for the PIN including an instruction to provide the PIN to a destination address,*" is not an inherent property, it is taught by *Morrill*. However, *Morrill* does not teach a destination address for a PIN, but rather it teaches a destination account for funds to be transferred to. (Morrill, col. 2, line 60-col. 3, line 5). In combination, this would result in the request for a PIN, as disclosed in *Hodgson,* resulting in funds being transferred to a destination account, as disclosed in *Morrill*. This resultant combination does not make sense in the context of the present application.

As such, Claim 18 is allowable because each and every limitation is not taught by *Hodgson* and *Morrill*, alone or in combination.

Claim 21

Claim 21 is rejected under the same reasoning as presented in Claim 18. In addition to being allowable by virtue of its dependence from claim 19, Claim 21 is also allowable for the same reasons as presented above, with respect to Claim 18.

Claim 33

Claim 33 is allowable at least by virtue of its dependence from Claim 1.

Claim 34

Claim 34 is allowable at least by virtue of its dependence from Claim 18. Furthermore, the Office Action has failed to make a *prima facie* case describing where in either reference it is shown that "*the instruction to provide a PIN to a destination address is an HTTP redirect instruction.*" The Office Action refers generically to HTTP addresses, however, *HTTP redirect* is not a generic term used to describe general HTTP activities. HTTP redirect is a specific command in the HTTP protocol. The Office Action has failed to show where "*the instruction to provide a PIN to a destination address is an HTTP redirect instruction.*" is shown in either *Hodgson* or *Morrill*, alone or in combination.

Suggestion to Amend Claim Language

Applicants have fully considered the Examiners' suggestion to amend the claim language regarding a "Hardware Security Module" to clarify that it is hardware. Applicants feel that such an amendment is not required at this time as this would be readily known to one of skill in the art. However, if this is the sole obstacle to allowance, Applicants would be willing to either make such an amendment or allow such an amendment to be entered as an Examiner amendment.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,

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